

Malvern, PA – With the past year's drastic increase in foreclosures continuing in October, Congressman Joe Sestak (PA-07) joined owners and managers of real estate companies, as well as brokers, for the Suburban Realtors Alliance annual legislative breakfast. Looking forward to actions needed in Washington as representatives return for a special session this week and as the next Congress takes over, the Congressman spoke of reforms to improve the housing market as well as proposals to ensure an overall economic recovery. October marks the 34th consecutive month in which U.S. foreclosure activity has increased compared to the prior year as 84,868 homes were lost, up 5 percent from September and 25 percent from October 2007.

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The Congressman strongly supported the American Housing Rescue and Foreclosure Prevention Act (H.R. 3221), now signed into law, which expands affordable mortgage loan opportunities for families through modernization of the Federal Housing Administration; develops a refinance program for homebuyers with problematic subprime loans to reduce foreclosures; and gives first-time homebuyers a refundable tax credit. Moreover, the bill strengthens regulation of Fannie Mae and Freddie Mac, and the Federal Home Loan Bank system, expanding liquidity in the mortgage markets by buying loans already made, which frees up money for new mortgages and refinances.

“Important measures have been enacted to address our current housing crisis; however, much more needs to be done,” said Congressman Sestak. “We must strictly enforce the regulations placed on Government Sponsored Enterprises Fannie and Freddie and pass additional legislation to assist those struggling to pay their mortgages while ensuring that we do not reward people who took loans they could not afford, nor those who have lent money and offered mortgages irresponsibly.

“In addition, our housing problems cannot be solved without addressing the overall economy. With the House called back to Washington for a much needed session this week, I will strongly encourage my colleagues to compromise on, and pass, a bipartisan economic stimulus package that creates jobs through investments in infrastructure and assists the millions of Americans who cannot find work and are in need of job creation through immediate extension of unemployment benefits.

“Finally, the economic stabilization bill passed last month was necessary to stop the lending freeze that has stifled our markets and prevented hard-working Americans from obtaining home, car and small business loans. Further steps must hold financial institutions accountable for

using federal government assistance they receive to free up lending.”

Congressman Sestak emphasized the need for accountability and transparency in all actions taken to reverse the economic downturn. He recently submitted a letter to the United States Attorney General to “conduct an appropriate and thorough investigation into any and all financial institutions, corporations, and individuals that are suspect of criminal action relating to our current economic crisis.” Referring to the seriousness with which the government must approach its obligation to the taxpayers who have taken a stake in failing firms, the letter appeals to the Attorney General to do his part in answering their questions and addressing their concerns. The letter advocates for the use of greater resources to look into related criminal activity, such as mortgage fraud.

*Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, including Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in Afghanistan and Iraq. After 9/11, Joe was the first Director of "Deep Blue," the Navy's anti-terrorism unit that established strategic and operations policies for the "Global War on Terrorism." He served as President Clinton's Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the Congress.*

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